



House Budget and Research Office

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AMENDED FISCAL YEAR 2021 STATE BUDGET HOUSE BILL 80 - HOUSE HIGHLIGHTS

The original Fiscal Year 2021 budget was set by a revenue estimate of \$25.9 billion and included deep reductions across all agencies based on a projected decline in tax revenues due to the COVID-19 pandemic. Since the original FY 2021 budget was passed in June of 2020, the state's fiscal position has substantially improved due to the repurposing and reopening of businesses and federal relief provided to the state as well as directly to Georgia citizens. The governor's revenue estimate for the Amended FY 2021 budget (House Bill 80) is \$26.56 billion, an increase of \$654.3 million, or 2.5%, over the current budget.

Much of the new revenue in HB 80 reflects the chamber's priorities for education by restoring 60% of the reductions made to K-12 education funding formulas in the original budget. The House version of the budget also prioritizes public health by boosting funding for grants that have experienced higher utilization due to COVID-19 as well as increasing funds to support the IT infrastructure and ongoing leadership of the agency. The House version of the Amended FY 2021 budget also recognizes \$2.7 billion in new and continued federal funds to help state agencies, colleges and universities, and local school systems respond to the pandemic. Additional highlights are provided below.

Criminal Justice and Public Safety

- The Georgia Bureau of Investigation (GBI) receives \$427,401 in the Amended FY 2021 budget for the recruitment and retention of medical examiners. The recommended caseload for medical examiners is 250 autopsies per doctor annually. Due to staff vacancies as a result of low wages, Georgia medical examiners perform nearly 100 more autopsies annually than recommended. Enhancing the medical examiner salary will make Georgia competitive and improve retention and recruitment of these specialized doctors.
- The House supports the governor's recommendation to include \$223,600 in new funding for the GBI to expand the gang database to allow local law enforcement to contribute gang related information to the database.
- The Amended FY 2021 budget appropriates \$4 million to the GBI to replace 70 vehicles for the investigations division, six vehicles for the bomb squad, and to refurbish six crime scene response vehicles.

- House Bill 80 provides targeted pay raises for the positions with the highest turnover in criminal justice. Juvenile correctional officer receive a targeted 10% pay increase to combat the 97% turnover rate within the Department of Juvenile Justice. In the Georgia Department of Corrections, correctional officers will receive a 10% targeted pay raise to combat the 35% turnover rate within the department.
- The Amended FY 2021 budget appropriates \$12.3 million to replace 321 high-mileage law enforcement pursuit vehicles within the Department of Public Safety.
- HB 80 recognizes \$333,508 in additional revenue from fireworks excise tax collections for the Georgia Firefighter Standards Training Council.
- The House version of HB 80 provides \$173,982 in training funds for newly elected sheriffs to the Georgia Peace Officer Standards and Training Council.
- The Amended FY 2021 budget recognizes more than \$100 million dollars from the Coronavirus Aid, Relief, and Economic Security Act throughout the public safety agencies to help agencies prevent, prepare for, and respond to the coronavirus pandemic.

Economic Development and Transportation

- The House version of HB 80 provides \$453,049 to the Department of Agriculture for the Georgia Hemp Program. These funds allow for the hiring of three new positions, a vehicle, and operational costs.
- The Department of Agriculture serves over 150,000 license-holders in the state of Georgia. In order to provide a more user-friendly licensing system, \$200,000 has been added in the House version of the budget for IT system upgrades.
- The budget also includes \$748,448 for the purchase of 32 vehicles in the Department of Agriculture to replace high mileage vehicles.
- HB 80 provides \$62,000 for a nucleic acid extraction machine for the Georgia Poultry Lab. This machine runs Polymerase chain reaction (PCR) tests on poultry to test for diseases comparable to COVID-19.
- The Georgia Agricultural Exposition Authority operates the Georgia National Fairgrounds. Due to the pandemic, the fair, among other events, was not held in 2020 severely impacting the authority's revenue for operations. \$1.75 million is provided in the Amended FY 2021 budget to mitigate the operational impact of COVID-19.
- \$20 million is provided to the OneGeorgia Authority to establish a broadband infrastructure grant program. This program will assist rural communities in leveraging federal, local, and private resources to target broadband needs in their area. These funds also provide for a grant administrator to administer the program, as well as map maintenance funds.
- In the Department of Economic Development, \$1 million is provided for a targeted advertising campaign. This campaign targets Georgia citizens and is intended to showcase Georgia to boost tourism within the state.
- The Amended FY 2021 budget includes \$340,000 for the replacement of 10 vehicles in the Georgia Forestry Commission.
- HB 80 recognizes an additional \$199 million in available transportation funds. The rebound of motor fuel collections allows for the restoration of 55% of the cut to the Department of Transportation

Capital Construction program made in the original budget, and an 81% restoration to the Capital Maintenance program forced by a decline in revenues due to the pandemic. These restorations will keep projects, which would have been deferred until the next fiscal year, on schedule. The Routine Maintenance program also receives a 73% restoration, which will allow the Georgia Department of Transportation to continue regular herbicide and litter pick up cycles. The Local Maintenance and Improvement Grants program sees an infusion of motor fuel funds of \$15.9 million to bring this program to the 10% of motor fuel receipts required by law, which is to the benefit of the state's local governments. Finally, \$2.9 million is added to the department's Construction Administration and Departmental Administration programs to fully restore reductions made in the original FY 2021 budget, as well as an additional \$6.1 million to ensure adequate staffing for project delivery and oversight.

- In the Amended Fiscal Year 2021 budget, the House recognizes the continued use of \$25.7 million in 'Coronavirus Aid, Relief, and Economic Security (CARES) Act' funds in Payments to Atlanta-region Transit Link Authority and \$410.8 million in 'CARES Act' funds for continued use in the Department of Transportation's Airport Aid program.

Education

- The Amended FY 2021 budget reflects the continued use of \$144.5 million in federal funds in the Department of Early Care and Learning for the Child Care and Development Block Grants as authorized by the 'CARES Act'.
- K-12 education is the largest single expenditure in the budget, totaling \$9.6 billion, or 43.4% of the state general funds budget. In the original FY 2021 budget, Quality Basic Education (QBE) formula earnings were reduced by \$950 million, reflecting a 10% decline in state revenues. At that time, it was impossible to balance the state's budget without a reduction to K-12 education. Now that revenues have improved, the Amended FY 2021 budget restores \$567 million, or 60% of the initial reduction, to QBE formula earnings. The sustained reduction to QBE is now \$383 million, or (4%).
- The original FY 2021 reduction to QBE affected the Local Five Mill Share (LFMS) 80/20 statewide requirement (O.C.G.A. 20-2-164), resulting in LFMS earnings being capped at \$2.1 billion. The restoration of \$567 million to QBE provides adequate state funds to comply with Code and removes the cap recognizing full LFMS earnings; the adjustment is (\$79.5 million).
- The House version of the budget includes \$41 million for the QBE midterm adjustment and hold harmless to reflect a 35,264 (2%) decline in student enrollment totaling (\$106 million) and a hold harmless of \$147 million. A midterm hold harmless is provided to school systems with declining enrollment because school budgets have already been adopted and implemented.
- The formula also funds \$480,152 in growth for charter system grants reflecting two new charter systems; \$25.9 million in growth for the state charter school supplement reflecting six additional schools; and \$2.6 million in the Special Needs Scholarship, reflecting 8% growth throughout the year.
- In the Amended FY 2021 budget, four new state charter schools are provided a \$600,000 hold harmless due to declining elementary school enrollment. Harriet Tubman School of Science and Technology, Delta STEAM Academy, Atlanta Unbound Academy, and Yi Hwang Academy of Language Excellence are disproportionately impacted by enrollment declines because, as new schools, they do not have prior student counts to bring up their three-count average.

- The budget includes \$38.61 million in cash for 500 school buses at \$77,220 per bus. Of the 14,798 school buses that transport students daily, 5,913 have exceeded their recommended lifecycle. In addition to being more reliable and cheaper to maintain, newer buses have enhanced safety features including fuel tank mounting requirements for greater crash protection; remote mirrors to improve driver visibility; and higher back seats for the safety of students.
- HB 80 includes \$8.5 million in restorations to other Department of Education programs that provide direct instruction or vital educational services. In most programs, the adjustment represents a 60% restoration to the initial FY 2021 reduction. The restorations include Agricultural Education (\$589,272); Communities in Schools (\$85,686); Georgia Network for Therapeutic and Educational Supports (\$3,669,163); Non-QBE formula grants for feminine hygiene products (\$420,000); Preschool Disabilities Services (\$2,523,306); Regional Education Services Agencies (\$889,508); Technology/Career Education (\$840,924); State Schools (\$300,000); and Tuition for Multiple Disabilities (\$93,117). Lastly, the restorations to the Agricultural Education and Technology/Career Education programs include full restorations to the Extended Day/Year programs.
- The House version of the Amended FY 2021 budget includes \$68,000 in additional funds for the Governor's Honors Program in the Governor's Office of Student Achievement. The program was canceled last summer due to the COVID-19 pandemic; however, 75 students who were rising juniors and accepted last summer will finally be allowed to participate as rising seniors this summer. State funds will supplement private funds raised by alumni for these additional participants.
- In the House version of HB 80, the Governor's Office of Student Achievement receives \$900,000 for GA*AWARDS, the P-20 longitudinal data system. GA*AWARDS requires a license renewal every three years for continued operation.

Higher Education

- The Amended FY 2021 budget includes \$70.1 million for the University System of Georgia, reflecting 1.8% enrollment growth and a 0.5% increase in square footage, not funded in the original FY 2021 budget.
- To create parity between higher education programs and K-12 education, the House version of HB 80 includes \$8.1 million for University System of Georgia B-Unit programs. These funds restore 60% of the reductions from the initial FY 2021 budget. These programs include: Agricultural Experiment Station (\$2,851,620); Cooperative Extension Service (\$2,652,325); Forestry Cooperative Extension (\$64,122); Forestry Research (\$198,572); Georgia Tech Research Institute (\$359,041); Marine Institute (\$71,707); Marine Resources Extension Center (\$83,486); Medical College of Georgia Hospital/Clinic (\$1,627,793); Georgia Youth and Science Center (\$53,733); and the Veterinary Medicine Experiment Station (\$162,000).
- HB 80 includes \$3.5 million for enrollment growth at the Technical College System of Georgia not funded in the original FY 2021 budget.

General Government

- HB 80 provides \$665,000 to the Department of Driver Services (DDS) to replace 25 vehicles and to purchase a truck to haul the agency's mobile license issuance trailer. Of the agency's 129 active

vehicles, 71 have a total cost of ownership that exceeds the value of the vehicle. The Amended FY 2021 budget also includes \$600,000 for DDS to implement chat bot technology in their call center, which is expected to drastically reduce wait time and improve the customer experience.

- The Amended FY 2021 budget includes \$3.5 million for 71 vehicles and laboratory equipment for the Department of Natural Resources. DNR's Georgia Outdoor Stewardship Program receives over \$3.4 million, which fully funds all approved projects and related program administration expenses, and nearly \$500,000 for the Wildlife Endowment Fund to reflect an increase in lifetime sportsman's license revenues.
- The Amended Fiscal Year 2021 budget recognizes more than \$60 million in federal funding provided to the Department of Labor for the agency's coronavirus pandemic response, including funds for the Unemployment Insurance Program, the Short-Term Compensation Program, and the Dislocated Worker Program.
- HB 80 includes \$25 million in the Department of Revenue for the Forestland Protection grant program to fulfill projected needs. DOR's Industry Regulation program also receives \$86,175 to begin enforcement of regulations related to the distribution and sale of vaping products.
- The Amended FY 2021 budget recognizes nearly \$11 million in federal funds to the Secretary of State for election security and public health precautions related to the coronavirus pandemic.
- The House version of HB 80 provides \$50,345 to the Georgia Access to Medical Cannabis Commission to pay start-up related IT contracts and a virtual call center. The program is expected provide well over \$1 million in revenue to the state in its first year.

Health

- The House version of the Amended FY 2021 budget provides \$18 million for the replacement and modernization of the Department of Public Health's outdated surveillance system in order to address the current COVID-19 pandemic response and provide ongoing infrastructure improvements for future epidemiologic surveillance capacity.
- The House provides \$15.4 million for the AIDS Drug Assistance Program (ADAP) to support the increase utilization of the program during the COVID-19 pandemic.
- HB 80 provides \$285,997 to the Department of Public Health for a chief medical officer, a deputy commissioner of public health, and a chief data officer to support the agency with its COVID-19 pandemic response as well as provide ongoing public health leadership.
- The Amended FY 2021 budget reflects \$1.04 billion in federal funds allocated to the Department of Public Health for epidemiology and laboratory capacity, COVID-19 vaccine preparedness, public health crisis response, and other identified needs identified in multiple federal relief packages.
- HB 80 provides \$35.7 million in the Department of Community Health for the state match of the Disproportionate Share Hospital (DSH) payments for private deemed and non-deemed hospitals that serve a large number of Medicaid and uninsured individuals.
- The House version of HB 80 provides \$19.3 million to increase the Medicaid growth allowance for skilled nursing centers by 5% for an overall rate increase of 3.5% in order to assist these centers with the large revenue losses and increased staffing costs associated with the COVID-19 pandemic.
- The House agrees with the governor to provide \$4.86 million to the Department of Community Health's Healthcare Facility Regulation program for contractual services to immediately address the

nursing home survey backlog. In addition, the House adds \$478,303 to implement a hiring and retention plan to stabilize the staffing of the nursing home program and ensure that the program is brought into, and remains in, compliance with federal requirements.

- HB 80 recognizes \$372.9 million in savings due to a temporary 6.2% increase in the Federal Medical Assistance Percentage (FMAP) rate, as authorized by the 'Families First Coronavirus Response Act'. This is in addition to the \$165.4 million reclaimed in the FY 2021 budget.
- The House agrees with the governor to fund \$1.8 million for the start-up costs associated with the 'Patients First Act' (2019 Session) and the 1115 Medicaid waiver that will be effective July 1, 2021.

Human Services

- The Amended FY 2021 budget reflects over \$130 million in federal relief funds for human service agencies used for a variety of grants to prevent, prepare for, and respond to the COVID-19 pandemic. An additional \$35 million in savings is also recognized from the enhanced Federal Medical Assistance Percentage (eFMAP). These federal investments help ensure the continued funding of essential programs for the Department of Human Services and the Department of Behavioral Health and Developmental Disabilities.
- In the area of developmental disabilities, the House version of HB 80 utilizes of \$1.7 million from FMAP savings for a new 10-bed behavioral health crisis center, expanding the service capacity of the state's crisis system. This innovative center will serve individuals who are in crisis and have both a mental health diagnosis and an intellectual or developmental disability over the long term, as well as an immediate diversion away from emergency room beds needed for the pandemic.
- In the Department of Human Services, the House agrees with governor to provide \$4.7 million to meet the anticipated increase in Medicaid services resulting from the 'Patients First Act'.
- For Child Welfare Services, the House provides \$176,500 for the Multi-Agency Alliance for Children (MAAC) to restore a portion of the funds reduced in the original FY 2021 budget. In the past three years, MAAC has provided educational services to more than 1,700 children in the foster care system. This partial restoration ensures that more than 80 additional children are served.
- The House also provides \$150,000 for the development of a new website for the Georgia Vocational Rehabilitation Agency, drawing down an additional \$554,225 in federal dollars. This modernization decreases the need for clients living with disabilities to travel in person to offices to complete portions of the application. This investment will decrease eligibility determinations by five days, resulting in an increased utilization of existing vocational rehabilitation staff support.